

Message Text

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PAGE 01 HONG K 03108 01 OF 04 141050Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 CIAE-00 DODE-00 PM-05 H-02
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R 100759Z MAR 78
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC 9375
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UNCLAS SECTION 1 OF 4 HONG KONG 3108

FOLLOWING MSG REPEATED FOR YOUR INFO.

TOFAS 55
PASS COPY TO STATE/W
FROM: AG OFFICER
CODE 24AL. REPORT NO. HK-8008

E.O. 11652: N/A
TAGS: EAGR
SUBJECT: PRC: THE 10-YEAR PROGRAM FOR THE DEVELOPMENT OF AGRICULTURE
AND THE NATIONAL ECONOMY (1976-85)

1. THE GOVERNMENT WORK REPORT MADE BY KUA KUO-FENG IN HIS
CAPACITY OF CHINA'S PREMIER AT THE NATIONAL PEOPLE'S CONGRESS
(NPC) ON FEB 26 WAS RELEASED FOR PUBLICATION ON MAR 6.
HUA OPENED THE ECONOMIC SECTION OF HIS REPORT WITH AN ACKNOWLEDGE-
MENT THAT CHINA MUST ACCELERATE ITS AGRICULTURAL GROWTH RATE, THAT
IS NOW SO CLOSE TO THE MARGIN OF SUBSISTENCE THAT "THERE WILL BE
REALLY SERIOUS TROUBLE IN THE EVENT OF MAJOR NATURAL CALAMITIES."

2. THE REPORT DISCLOSED THAT IN THE SUMMER OF 1975 A CONFERENCE
WAS CONVENED TO DRAFT A 10-YEAR PROGRAM FOR THE DEVELOPMENT OF
THE NATIONAL ECONOMY (1976-85) ON THE BASIS OF LARGE-SCALE
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INVESTIGATIONS AND RESEARCH THAT HAD BEEN MADE FOR THAT PURPOSE.
THE IMPLEMENTATION OF THE PROGRAM WAS SABOTAGED BY THE GANG OF
FOUR. AFTER THEIR DOWNFALL, FURTHER STUDIES OF THE DRAFT PROGRAM
WERE MADE AND APPROPRIATE CHANGES WERE INCORPORATED INTO IT.
THE REVISED DRAFT WAS SUBMITTED TO THE NPC. WITH THE EXCEPTION
OF ONLY TWO ITEMS, I.E., GRAIN AND STEEL, HOWEVER, NONE OF THE
OTHER TARGETS WERE DISCLOSED.

3. THE HIGHLIGHTS OF THE PROGRAM ON THE AGRICULTURAL SECTOR AND THOSE IN HUA'S REPORT WHICH ARE RELATED TO AGRICULTURE ARE PRESENTED IN THE FOLLOWING WITH COMMENTS:

-- THE PROGRAM SETS THE GRAIN TARGET FOR 1985 AT 800 BILLION CATTIES (400 MILLION MT). THE AVERAGE ANNUAL GROWTH RATE OF THE GROSS VALUE OF AGRICULTURAL PRODUCTION BETWEEN 1978 AND 1985 IS TARGETED AT 4-5 PERCENT.

(COMMENT: SINCE GRAIN REPRESENTS THE BULK OF AGRICULTURAL PRODUCTION IN CHINA, THE AVERAGE ANNUAL RATE OF INCREASE IN GRAIN PRODUCTION WOULD BE, BY AND LARGE, IN THE SAME RANGE AS THAT SET FOR THE GROSS VALUE OF AGRICULTURAL PRODUCTION. AT THE TARGETED 4-5 PERCENT ANNUAL INCREASE, THE TOTAL INCREASE IN GRAIN BY 1985

WOULD BE 36.86 - 47.75 PERCENT AS

COMPARED WITH 1977. ON THIS BASIS, GRAIN PRODUCTION DERIVED FOR 1977 WOULD BE 270.7 TO 292.3 M.M.T.; THE MEAN WOULD BE 281.5 M.M.T. IN CHINA RECONSTRUCTS, DEC 1977 ISSUE, GRAIN PRODUCTION IN 1949 WAS GIVEN AS 113.2 M.M.T., WHICH OBVIOUSLY INCLUDES SOYBEANS. IT FOLLOWS, THEREFORE, THAT THE TARGETED 400 M.M.T. FOR 1985, AND FOR THAT MATTER, THE DERIVED FIGURE FOR 1977 SHOULD BOTH INCLUDE SOYBEANS.)

-- IN THE 11 YEARS, 1966-76, IN SPITE OF INTERFERENCE OF THE GANG OF FOUR, ONE-THIRD OF THE PROVINCES, MUNICIPALITIES, AND AUTONOMOUS REGIONS IN THE NATION ACHIEVED AN AVERAGE ANNUAL RATE OF INCREASE IN GRAIN OUTPUT OF 4.3
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PERCENT, WITH SOME ACHIEVING AS HIGH AS 5.5 PERCENT. NOW, WITH THE BAD INFLUENCE OF THE GANG OF FOUR REMOVED, HUA REASONED IN HIS REPORT, IT SHOULD BE ENTIRELY POSSIBLE FOR THE COUNTRY AS A WHOLE TO ACHIEVE THAT 4-5 PERCENT INCREASE EACH YEAR DURING THE NEXT EIGHT YEARS.

(COMMENT: HERE IS A CLEAR INDICATION THAT GRAIN PRODUCTION IS TAKEN IN HUA'S REPORT AS A PARALLEL TO THE GROWW VALUE OF AGRICULTURAL PRODUCTION. THE 4-5 PERCENT ANNUAL RATE OF INCREASE IS ADMITTEDLY A CAUTIOUS TARGET AS COMPARED WITH THOSE SET DURING THE "GREAT LEAP" OR EVEN DURING THE MORE SOBER YEARS OF THE EARLY 70'S. IT IS PROBABLE THAT WITH MORE INPUTS AVAILABLE IN THE EARLY 80'S THAT TARGETED 4-5 PERCENT ANNUAL INCREASE IS MORE LIKELY TO BE ACHIEVED IN THE LATER RATHER THAN IN THE EARLY YEARS OF THE PROGRAM.)

-- BY 1985, THE AREA OF STABLE, HIGH YIELD LAND WOULD BY ONE MOU PER CAPITA OF THE RURAL POPULATION, WHILE ONE-THIRD OF THE COUNTIES IN THE COUNTRY WOULD BE BUILT INTO TACHAI-TYPE ONES BY 1980.

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ACTION EA-12

INFO OCT-01 CU-06 ISO-00 EB-08 CIAE-00 DODE-00 PM-05
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TO SECSTATE WASHDC 9376
USLO PEKING

UNCLAS SECTION 2 OF 4 HONG KONG 3108

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TOFAS 55
PASS COPY TO STATE/W
FROM: AG OFFICER
CODE 24AL. REPORT NO. HK-8008

E.O. 11652: N/A
TAGS: EAGR
SUBJECT: PRC: THE 10-YEAR PROGRAM FOR THE DEVELOPMENT OF
AGRICULTURE AND THE NATIONAL ECONOMY (1976-85)

(COMMENT: WHILE THE NUMNBER OF TACHAI-TYPE COUNTIES BY 1980
REMAINS THE SAME AS THAT GIVEN BY HUA IN 1975 AT THE FIRST
NATIONAL CONFERENCE ON LEARNING FROM TACHAI, THE TARGET YEAR FOR
THE BUILDING OF STABLE, HIGH YIELD LAND PER MOU PER CAPITA OF
THE AGRICULTURAL POPULATION IN THE COUNTRY APPARENTLY IS
DEFERRED FROM THE 1980 DECLARED BY CHEN YUNG-KWEI IN 1976
AT THE SECOND NATIONAL CONFERENCE ON LEARNING FROM TACHAI TO
THE PRESENT 1985. THIS DEFERMENT IS, PERHAPS, ONE OF THE
CHANGES INTRODUCED INTO THE REVISED DRAFT PROGRAM THAT
REPRESENT THE CAUTIOUSNESS AND PRAGMATISM ON THE PART OF THE
CHINESE PLANNERS. HUA SAID IN HIS REPORT THAT CHINA WOULD
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STRIVE TO KEEP HER NATURAL RATE OF POPULATION INCREASE WITH-
IN ONE PERCENT IN THE NEXT THREE YEARS. SHOULD THIS LOW RATE

OF INCREASE BY REACHED BY 1980, THE DEFERMENT OF THE TARGET YEAR WOULD INVOLVE ONLY A MAXIMUM OF 5 PERCENT INCREASE IN THE ABSOLUTE ACREAGE OF STABLE, HIGH YIELD LAND TARGETED FOR 1985 AS COMPARED WITH THAT PREVIOUSLY TARGETED FOR 1980, THUS GIVING CONSIDERABLE LEEWAY FOR THE BUILDERS OF STABLE, HIGH YIELD LAND TO REACH A SLIGHTLY HIGHER GOAL IN EIGHT INSTEAD OF THE ORIGINALLY SCHEDULED THREE YEARS.)

--IN HIS REPORT, HUA REITERATED THE DECISIVE IMPORTANCE OF AGRICULTURE IN CHINA'S ECONOMY AND THE PRIORITY THAT SHOULD BE GIVEN TO AGRICULTURE. IN ORDER TO INCREASE AGRICULTURAL PRODUCTION, HE MENTIONED A NUMBER OF MEASURES TO BE TAKEN BETWEEN NOW AND 1985. THE MORE NOTABLE ONES ARE LISTED BELOW.

--THE 12 LARGE COMMODITY GRAIN PRODUCING BASE AREAS TOGETHER WITH THE STATE FARMS SHOULD DOUBLE OR TRIPLE THEIR AVAILABILITY OF MARKETABLE GRAIN BY 1985.

(COMMENT: ASSUMING THAT 30 PERCENT OF THE GRAIN PRODUCED IN THESE AREAS HAS GENERALLY BEEN SOLD TO THE STATE IN THE PAST, TO DOUBLE OR TRIPLE THAT AMOUNT BY 1985 WOULD MEAN, ON CURRENT BASIS (I.E., THE PRESENT LEVEL OF PRODUCTION TAKEN AS 100 PERCENT), 60 AND 90 PERCENT RESPECTIVELY. TAKING INTO ACCOUNT THE INCREASE IN POPULATION IN THOSE AREAS WHICH WE ASSUME TO BE 10 PERCENT BY 1985, THEY HAVE TO RAISE GRAIN PRODUCTION BY 40 PERCENT BY 1985 TO DOUBLE THEIR GRAIN SALES TO THE STATE. THE ANNUAL RATE OF INCREASE WOULD BE SOMEWHAT LESS THAN 4 PERCENT. TO TRIPLE THE SALE, THEY HAVE TO INCREASE THEIR GRAIN PRODUCTION BY 70 PERCENT BY 1985, AND THIS WOULD REQUIRE AN AVERAGE ANNUAL RATE OF INCREASE OF MORE THAN 8 PERCENT -- A MUCH MORE DIFFICULT GOAL TO ATTAIN IN A ROW OF EIGHT YEARS. IT APPEARS THAT THE PRC IS REVERSING TO THE POLICY OF THE EARLY 60'S TO CONCENTRATE STATE AID AND SUPPLY OF INPUTS ON THE UNCLASSIFIED

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MAJOR BASES WHERE THE YIELD LEVELS ARE HIGH AND THE CONDITIONS ARE MORE RESPONSIVE TO INCREASED INPUTS.)

--THE LOW-YIELD, GRAIN-DEFICIT AREAS SHOULD STIVE TO ACHIEVE SELF-SUFFICIENCY OR SURPLUS IN THE NEXT TWO OR THREE YEARS.

(COMMENT: THIS WOULD MEAN ALL THE AREAS IN THE COUNTRY SHOULD ACHIEVE SELF-SUFFICIENCY BY 1980 -- THE LAST YEAR OF THE 5TH FYP. SOME OF THE POOR AREAS SUCH AS KWEICHOW AND TSINGHAI MAY FIND IT NOT AN EASY JOB TO MEET THE NEED OF GRAIN SELF-RELIANCE IN THE NEXT TWO OR THREE YEARS. ON THE OTHER HAND, SOME OF THE RICH AREAS SUCH AS CHEKIANG, WHICH IS HEAVILY BURDENED WITH A LARGE POPULATION, MAY EASILY LOSE THE STATUS OF SELF-SUFFICIENCY SHOULD UNUSUALLY POOR WEATHER CONDITIONS OCCUR IN ANY PARTICULAR YEAR. UNLESS SUBSTANTIAL YIELD INCREASES ARE ACHIEVED IN THE NEXT TWO OR THREE YEARS IN THE MARGINAL AREAS, SELF-SUFFICIENCY IN GRAIN IN THESE AREAS CAN HARDLY BE SUSTAINED.)

--IT IS ALSO CONCEIVED IN THE 10-YEAR PROGRAM TO ESTABLISH

BASE AREAS FOR THE PRODUCTION OF COTTON, OILSEEDS AND SUGAR CROPS. THEY ARE TO BECOME THE MAJOR SOURCE OF THESE COMMODITIES FOR STATE PROCUREMENT.

(COMMENT: IN SPITE OF THE STANDING POLICY OF REGIONAL SELF-SUFFICIENCY IN BASIC NEEDS, THIS CONCEPTION OF ESTABLISHING BASE AREAS FOR INDUSTRIAL CROPS APPEARS TO POINT TO SOME DEGREE OF REGIONAL SPECIALIZATION. IT WOULD BE DIFFICULT, HOWEVER, FOR THESE AREAS TO ACHIEVE ANY SIGNIFICANT SUCCESS AS MAJOR PROVIDERS OF THOSE COMMODITIES UNLESS THEY ARE ASSURED OF THE STATE MEETING THEIR NEED OF GRAIN. TO GROW GRAIN TO MEET THEIR OWN NEED AT THE SAME TIME WOULD GREATLY WEAKEN THEIR POSITION IN INCREASING THE PRODUCTION OF THE INDUSTRIAL CROPS. WHAT THE STATE POLICY IS ALONG THIS LINE IS NOT YET CLEAR).

--IN ORDER TO INCREASE FARM PRODUCTION IN GENERAL, A NUMBER OF OTHER MEASURES WERE ALSO MENTIONED IN HUA'S REPORT. AMONG THESE IS LAND RECLAMATION. NEW STATE FARMS ARE TO BE OPENED (WHICH WOULD MEAN RECLAMATION ON A LARGE SCALE). LAND RECLAMATION WILL ALSO BE DONE AT LOWER LEVELS

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(PROVINCIAL, PREFECTURAL, COUNTY AND COMMUNE LEVELS) IN A PLANNED MANNER WITHOUT INTERFERING WITH SOIL CONSERVATION GOALS.
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ACTION EA-12

INFO OCT-01 CU-06 ISO-00 CIAE-00 DODE-00 PM-05 H-02
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R 100759Z MAR 78
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC 9381
USLO PEKING

UNCLAS SECTION 3 OF 4 HONG KONG 3108

FOLLOWING MSG REPEATED FOR YOUR INFO.

TOFAS 55
PASS COPY TO STATE/2
FROM: AG OFFICER
CODE 24AL. REPORT NO. HK-8008

E.O. 11652: N/A
TAGS: EAGR
SUBJECT: PRC: THE 10-YEAR PROGRAM FOR THE DEVELOPMENT OF
AGRICULTURE AND THE NATIONAL ECONOMY (1976-85)

(COMMENT: TO BRING MORE LAND UNDER CULTIVATION IS ONE
WAY FOR CHINA TO INCREASE FARM PRODUCTION. IT
IS VERY EXPENSIVE, HOWEVER. IN SOME CASES, RECLAMATION
WOULD RESULT IN INCREASING EROSION. CHINA HAS TO SOLVE
THESE TWO PROBLEMS BEFORE LARGE SCALE LAND RECLAMATION
PROJECTS CAN BE CARRIED OUT.)
-- THE STATE WILL INVEST IN MORE LARGE SCALE WATER CONSERVATION
PROGRAMS IN THE NEXT EIGHT YEARS. A MAJOR GOAL IS TO BRING
MORE WATER FROM THE SOUTH TO THE NORTH. ATTENTION WILL ALSO
BE DIRECTED TO THE AMELIORATION OF THE SOILS IN THE LOW-
YIELD LAND.
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(COMMENT: SO FAR, THE PRC HAS BEEN SUCCESSFUL IN BRINGING
WATER FROM THE YANGTZE TO LIMITED AREAS IN THE LOWER REACHES
OF THE HUAI RIVER VALLEY. NOTHING HAS BEEN DONE IN THE
MIDDLE OR THE UPPER REACHES BECAUSE OF THE LARGE-SCALE
ENGINEERING INVOLVED. HOW THIS WILL BE DONE IN THE NEXT
EIGHT YEARS IS NOT STATED IN HUA'S REPORT. THE IMPROVEMENT
OF LOW-YIELDING SOILS TAKES TIME. WHETHER IT CAN BE
DONE IN A MATTER OF EIGHT YEARS IS QUESTIONABLE.)
-- AGRICULTURAL RESEARCH WILL BE STRENGTHENED AT ALL LEVELS.
ATTENTION WILL BE DIRECTED TO THE BREEDING OF SUPERIOR
CROP VARIETIES, SEARCHING FOR MORE SOURCES OF ORGANIC
FERTILIZER AND STUDYING RATIONAL WAYS OF APPLYING CHEMICAL
FERTILIZER.
(COMMENT: IT SEEMS THAT CHINESE SCIENTISTS CAN NOW DEVOTE
MORE TIME TO THEIR RESEARCH WITHOUT SPENDING MUCH OF THEIR
TIME IN THE COUNTRYSIDE. MORE AND BETTER RESULTS TO BE
ACHIEVED BY THEM SHOULD BE ANTICIPATED ALTHOUGH IT TAKES
SEVERAL YEARS TO DEVELOP A NEW VARIETY. THE STRESS ON
ORGANIC FERTILIZER APPEARS TO INDICATE THAT CHINA WOULD
CONTINUE RELYING ON ORGANIC FERTILIZER AS THE MAJOR SOURCE
OF PLANT NUTRIENTS.)
-- MORE FARM MACHINES SHOULD BE MADE AVAILABLE IN THE NEXT
EIGHT YEARS SO THAT BY 1985 85 PERCENT OF THE MAJOR OPERATIONS
ON THE FARM ARE DONE BY MACHINES. CHEMICAL FERTILIZER

AND AGRICULTURAL CHEMICALS ARE TO BE INCREASED.

(COMMENT: THIS 85 PERCENT IS AN INTERESTING COMPARISON TO THE 70 PERCENT TO BE SCHEDULED TO COMPLETE BY 1980. THAT 85 PERCENT APPEARS A MORE PRGAMATIC GOAL THAN THE 70 PERCENT SET FOR 1980. IT SEEMS THAT THE PRC TAKES THE 85 PERCENT GOAL MORE SERIOUSLY. THE ASSOCIATION OF CHEMICAL FERTILIZER AND AGRICULTURAL CHEMICALS WITH FARM MACHINES AGAIN INDICATES THAT IN THE CHINESE CONTEXT OF FARM MECHANIZATION THE TWO ARE INCLUDED.)

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-- THE STATE HAS GIVEN DUE CONSIDERATION TO THE INCREASING NEED OF BOTH MONEY AND MATERIAL IN ATTAINING THE GOALS REFERRED TO ABOVE. THE GOVERNMENT HAS DECIDED, THEREFORE, TO INCREASE APPROPRIATIONS AND THE ALLOCATIONS OF BOTH MATERIAL AND EQUIPMENT TO HELP REACH THOSE GOALVS SET FOR 1985.

-- THE STATE ALSO IS AWARE OF THE IMPORTANCE OF THE MORALE OF THE PEASANTRY, WITHOUT WHICH NOTHING CAN HARDLY BE ACHIEVED IN THE COUNTRYSIDE. IT IS THE DECISION OF THE GOVERNMENT, THEREFORE, TO TAKE APPROPRIATE MEASURES TO BOOST THE MORALE OF THE PEASANTS, WHICH ARE HIGHLIGHTED BELOW:

-- THE GOVERNMENT WOULD ENCOURAGE SIDELINE PRODUCTION AND BRIGADE AND COMMUNE RUN ENTERPRISES SO THAT THEIR INCOME FROM THESE SOURCES MAY ACCOUNT FOR AN INCREASING PROPORTION OF THEIR TOTAL INCOME.

(COMMENT: THIS WAS ONE OF THE AREAS WHERE THE GANG OF FOUR HAD EXERCISED BAD INFLUENCE. AS THE RESULT OF THEIR DISRUPTING SIDELINE PRODUCTION, CASH INCOME WAS SUBSTANTIALLY REDUCED).

-- STATE AID WILL BE GIVEN TO THE POOR BRIGADES SO THAT THEY CAN IMPROVE THEIR FINANCIAL STATUS WITHIN A SHORT PERIOD OF TIME.

(COMMENT: POOR BRIGADES NOT ONLY BRING DOWN THE AVERAGE OF AN AREA BUT ALSO EVENTUALLY ARE A BURDEN ON THE STATE. IT IS, THEREFORE, A WISE MOVE TO IMPROVE THEIR STATUS AS SOON AS POSSIBLE.)

-- THE COMMUNE, THE BRIGADE, AND THE TEAM SHOULD BE RUN IN A DEMOCRATIC MANNER. ALL IMPORTANT DECISIONS SHOULD NOT BE MADE WITHOUT THE APPROVAL OF THE MAJORITY. COMMUNE OFFICIALS SHOULD NOT ENJOY ANY PROVILEGE AT THE EXPENSE OF THE COMMUNE MEMBERS. THEY SHOULD ALSO PARTICIPATE IN PRODUCTIVE LABOR.

(COMMENT: THE IDEA SOUNDS GOOD. WHETHER IT CAN BE DONE IN PRACTICE REMAINS TO BE SEEN.)

-- COMMUNE MEMBERS ARE ALLOWED TO KEEP THEIR PRIVATE PLOTS AND RUN FAMILY SIDELINE BUSINESS. RURAL FREE MARKETS ARE PERMITTED, BUT THEY MUST BE ADMINISTERED IN A PROPER MANNER. ERISMAN

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FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 9382

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UNCLAS SECTION 4 OF 4 HONG KONG 3108

FOLLOWING MSG REPEATED FOR YOUR INFO.

TOFAS 55

PASS COPY TO STATE/W

FROM: AG OFFICER

CODE 24AL. REPORT NO. HK-8008

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: PRC: THE 10-YEAR PROGRAM FOR THE DEVELOPMENT OF
AGRICULTURE AND THE NATIONAL ECONOMY (1976-85)

(COMMENT: A RETURN TO PRE-CULTURAL REVOLUTION PRACTICE.)

--THE STATE-FIXED PURCHASE PRICE FOR FARM PRODUCTS WILL BE
APPROPRIATELY INCREASED. THE PARITY BETWEEN THE PRICE OF
AGRICULTURAL PRODUCTS AND THAT OF INDUSTRIAL GOODS WILL BE
FURTHER STUDIED SO THAT FURTHER ADJUSTMENT CAN BE MADE
BETWEEN THEM.

(COMMENT: THE TENDENCY APPEARS TO INCREASE THE PRICE OF FARM
PRODUCTS AND REDUCE THAT OF INDUSTRIAL PRODUCTS, ESPECIALLY
THOSE NEEDED IN AGRICULTURAL PRODUCTION. THUS, THE COMMUNE
INCOME WILL GRADUALLY INCREASE WHILE THE COST OF PRODUCTION
ON THE FARM WILL BE REDUCED. THE EVENTUAL OUTCOME WOULD BE
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A NARROWING GAP BETWEEN AGRICULTURE (AND THE RURAL AREAS) AND INDUSTRIAL AREAS (CITIES) -- A GOAL THE COMMUNISTS HAVE WISHED TO ATTAIN SINCE THEY TOOK OVER.)

--THE PRINCIPLE OF "TO EACH ACCORDING TO HIS LABOR" SHOULD BE FURTHER ENFORCED. WORKPOINTS SHOULD BE REGISTERED IN ACCORDANCE WITH THE LABOR DONE. "EQUAL PAY FOR EQUAL WORK" SHOULD BE MAINTAINED WITHOUT PREJUDICE AGAINST WOMEN. THE WORK-QUOTA SYSTEM SHOULD BE REINFORCED. THE GOVERNMENT HOPES THAT UNDER NORMAL CONDITIONS 90 PERCENT OF THE COMMUNE MEMBERS WILL HAVE AN INCREASE IN INCOME EVERY YEAR. (COMMENT: WHILE THE RULING PREVENTS COMMUNE OFFICIALS FROM GETTING WORKPOINTS WITHOUT ACTUALLY LABORING, IT PROVIDES THE GREATEST ADVANTAGE TO THOSE FAMILIES WHICH HAVE A LARGE WORK FORCE. A FAMILY WITH ONLY ONE MEMBER LABORING MAY FIND IT DIFFICULT TO MAKE BOTH ENDS MEET EVEN THOUGH HE HAS COMPLETED HIS LABOR QUOTA. FURTHERMORE, IF AN INCREASE IS ALLOWED FOR MEMBERS' INCOME IN AN AVERAGE YEAR, THE COLLECTIVE, I.E., THE COMMUNE OR BRIGADE, WILL BE SHORT OF THE MONEY NEEDED FOR FURTHER INVESTMENT IN PRODUCTION. APPARENTLY GOOD RESULTS CAN BE PRODUCED ONLY WHEN THERE IS A TRUE IMPROVEMENT IN PEASANTS' MORALE AND EACH YEAR IS BETTER THAN THE PREVIOUS ONE. THE LATTER CONDITION DOES NOT USUALLY EXIST.)

--BY 1985, AN 8 YEAR EDUCATION WILL BE PROVIDED IN THE RURAL AREAS (10 YEARS FOR URBAN AREAS).

(COMMENT: HUA DID NOT SPECIFY WHETHER IT IS FREE OR COMPULSORY AND WHO IS GOING TO FINANCE IT. THE CHINESE TRADITIONALLY REGARD EDUCATION AS AN IMPORTANT PRIVILEGE. WITHOUT GOVERNMENT SUBSIDY, EDUCATION FINANCED BY THE LOCAL PEOPLE WOULD BE THE SAME AS PAYING FOR EDUCATION OF THE YOUNGER GENERATION BY THEMSELVES.)

--HOUSING IN THE COUNTRYSIDE (AS WELL AS IN THE CITIES) WILL BE IMPROVED.

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(COMMENT: STATE POLICY HAS BEEN DISCOURAGING SPENDING ON NON-PRODUCTIVE ITEMS, OF WHICH HOUSING IS ONE. IT APPEARS THAT THERE WILL BE A RELAXATION OF THAT POLICY IN HOUSING. IT IS APPARENT, HOWEVER, THAT MUCH STILL DEPENDS ON HOW EACH LOCALITY FARES IN ITS ECONOMIC PERFORMANCE. NO IMPROVEMENT IN HOUSING IS POSSIBLE WITHOUT GOOD CROP HARVESTS.) --IN THE COMING YEARS LARGE NUMBERS OF YOUTHS WILL BE SENT TO THE COUNTRYSIDE. SPARE-TIME EDUCATION IS TO BE PROVIDED IN THE RURAL AREAS SO THAT THEY CAN FURTHER THEIR EDUCATION DURING THEIR LEISURE HOURS. EXAMINATIONS WILL BE GIVEN TO SEE IF ANY OF THEM ARE QUALIFIED FOR A HIGHER POST. DUE

PROMOTION WILL BE GIVEN TO THOSE WHO HAVE PROVED THEMSELVES
THUS QUALIFIED.

(COMMENT: THIS SHOULD BOOST THE MORALE OF THE YOUTHS WHO
ARE IN THE COUNTRYSIDE. A LADDER FOR PROMOTION IS NOW
AVAILABLE FOR THIS OFTEN FRUSTRATED GROUP.)

4. GENERAL REMARKS: THE 10-YEAR PROGRAM AND OTHER THINGS REVEALED
IN HUA'S REPORTS CONCERNING AGRICULTURE INDICATE THAT THE NEW
LEADERSHIP AT PEKING IS FOLLOWING A PRAGMATIC LINE IN AGRICULTURAL
AFFAIRS. THE TARGET SET FOR GRAIN IN 1985, WHILE AMBITIOUS,
IS ATTAINABLE. ALTHOUGH THE MEASURES TO BE TAKEN TO IMPLEMENT THE
PROGRAM ARE NOT NEW, THERE IS APPARENTLY GREAT IMPROVEMENT IN THE
WAY OF BOOSTING THE MORALE IN THE COUNTRYSIDE. SHOULD THE PRC BE
LUCKY ENOUGH TO HAVE NORMAL OR BETTER THAN NORMAL WEATHER IN MOST
YEARS BETWEEN 1978 AND 1985, IT WOULD NOT BE IMPOSSIBLE FOR HER
TO ATTAIN THOSE GOALS INCLUDING THE 400 M.M.T. OF GRAIN TARGET
SET FOR 1985.
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To: STATE PEKING
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